

Losing Our Way

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All anyone needs to know about the 1950s in America can be inferred from the automobiles produced in 1959. Even the most pedestrian of commuter appliances turned out by Detroit that year were vehicular sculptures — equivalent, in some sense, to the soaring spires of Europe’s Gothic cathedrals. Where those cathedrals in their vaulted naves sought to uplift the eyes and the spirit toward the promise of Heaven, American automakers in 1959 sought to embody in the automobile the confident optimism of the preceding decade.

On even the least pretentious of the era’s cars, oceans of chrome swept back along highly sculpted body panels rising toward the rear in ostentatious tail-fins. From the rear, oversized taillights blazed forth a bright red glow in shapes and forms intended to invoke the forward-thinking technical achievements of the jet age or the power and glory of the rocketry that was about to put men into space. In 1959, the automobile, whether a Ford, Chevy, or Chrysler, was the quintessential American symbol of optimism, hope, and greatness — an exuberant message in steel and glass proclaiming to the world that America was at the pinnacle of its strength and greatness.

There was good cause for the optimism. In his 1986 history of the decade, entitled *God’s Country: America in the Fifties*, historian J. Ronald Oakley pointed out that during the years of the fifties, “the United States enjoyed a period of unprecedented prosperity, consumerism, and economic optimism.” It was a time when there seemed to be a job for anyone who wanted to work, when revolutionary labor-saving devices became available and affordable to nearly everyone, and when the world depended on U.S. economic might. According to Oakley, “At the middle of the decade the United States, with 6 percent of the world’s population and 7 percent of the area produced almost half of the world’s manufactured products,” a trend driving a widespread prosperity with real wages for workers rising by 30 percent over the course of the decade. That powerhouse economy made it possible for even someone with a modest high-school education to enter the workforce and earn enough to buy a home, put a new car or two in the driveway, and raise a family, with the wife able to stay home and be a full-time mom. In the 1950s, *Leave it to Beaver* was a reality. “Never, it seemed, had so many had it so good, and never had so many expected it to get better,” Oakley concluded. “To many observers of the American scene, the old adage, ‘The poor will always be with us,’ was a thing of the past.”

How times change. Now, almost 50 years after Detroit celebrated the American achievement via the medium of automotive coachwork, the workers of America’s broad middle class face an uncertain future. For the first time in American history, except perhaps the Great Depression, families today are worse off than their parents. According to a recent report by the Economic Mobility Project created by the Pew Charitable Trusts, “Men in their 30s today earn less than men in their fathers’ generation, and family income growth has slowed.” The plight of the middle class is everywhere evident inside the nation’s “big box” retail stores. Shelves are stocked with items bearing stickers proclaiming “made in China” while one looks almost in vain for anything labeled “made in America.” Cheap foreign labor — sometimes even slave labor — produces the goods once made by Americans, and the middle class in this country has paid the price in unprecedented job losses that might never be recovered.

Offshoring America

Jaithirth Rao is an entrepreneur in the great American fashion with one exception: he conducts business in Bangalore, India. Until 2006, Rao, an accountant by trade, ran the Indian accounting firm MphasiS that makes its

money by, among other things, processing portions of tax returns sent them by American accounting firms. He is currently the chairman of the company's board of directors. Rao's story is told by author Thomas Friedman in his book, *The World Is Flat*, which documents the rise of outsourcing and offshoring in the global economy. Interviewing Rao, Friedman asked, hypothetically: "I got my CPA. I work in a big accounting firm.... What is going to happen to me in this system" of outsourcing and offshoring American jobs?

The Indian businessman's reply was revealing. "We must be honest about it," said Rao who received his master's degree from the University of Chicago. "In ten years we are going to be doing a lot of the stuff that is being done in America today." This answer points to a disturbing trend. At the beginning of the outsourcing and offshoring movement, now 20 years ago or more, the first jobs impacted were in high-paying manufacturing industries like automobiles and electronics. When those jobs disappeared, Americans looking for work switched to white-collar service sector jobs, some of which — in accounting and in some healthcare fields — paid nearly as much or even more than the old manufacturing jobs that were lost. The greatest growth, though, came in lower-level service jobs, like call centers, that absorbed an influx of workers displaced from America's shuttered manufacturers. But now, as Rao pointed out, all those jobs — from accounting to customer service and others — are the next to be offshored.

That includes jobs in healthcare that many American middle-class workers have come to count on. After interviewing Rao, Friedman writes, he received an e-mail from William Brody, the president of Johns Hopkins University. In his e-mail, republished in Friedman's book, Brody describes an offshoring trend in the field of radiology. "I have just learned that in many small and some medium-sized hospitals in the US, radiologists are outsourcing reading of CAT scans to doctors in India and Australia!!!" Brody wrote. "Most of this evidently occurs at night (and maybe weekends) when the radiologists do not have sufficient staffing."

While that sounds like a good way to make sure that both doctors and patients are served with vital radiological information in a timely fashion, it really points to the fact that hospitals are choosing to outsource and offshore work that could be done by American workers. The lesson is that no one is safe. "Any activity where we can digitize and decompose the value chain, and move the work around will get moved around," Rao warns. "Some people will say, 'Yes, but you can't serve me a steak.' True, but I can take the reservation for your table sitting anywhere in the world.... In other words, there are parts of the whole dining-out experience that we can decompose and outsource."

The losses caused by such pervasive outsourcing and offshoring efforts are not just statistics — real people are hurt and real American communities are damaged. That was the lesson taught, according to professor Leslie Hossfeld of the University of North Carolina at Wilmington, by the closure of the Converse shoe factory in Robeson County, North Carolina in 2001. That factory was the last Converse facility in America when the company, hammered by losses in the wake of NAFTA, went bankrupt. The closure was the last straw, so to speak, in a county that, like many others in the United States, had seen manufacturers leave in droves since 1993 in order to start operations overseas.

According to Hossfeld, those losses have had a ripple effect throughout the region. "The impact of job loss is far-reaching: individuals, families and the entire community have all been negatively touched. Distress extends not only from the loss of jobs, but also from the more profound loss of an entire way of life." The pain is evident in the stories from the area.

"I've begged, I've totally begged, you know, for help to get me straightened out so I could go back to work," one displaced worker told Hossfeld, "but everywhere I went I've just been turned away. We can't help you. And I said, you know, it's a shame, I've worked all my life. Now I need some help and I can't get it." A person described as a "Robeson County agency worker" told Hossfeld: "We have family members, people, employees of the organization whose families have worked in the textile industries that have lost their jobs.... Every time somebody loses their job, they're losing health insurance for their family. If they have to choose between going to the doctor or putting food on the table they're going to put food on the table versus going to the doctor. Families need steady work."

The Endangered Middle Class

Robeson County is on the front lines of what has, according to CNN anchor Lou Dobbs, become a war on the middle class. According to Dobbs, that war is being carried out by elected officials who as a group, for perhaps the first time in history, are no longer interested in putting the good of America and the welfare of American citizens first. “We are witnessing something that would have been unimaginable a quarter century ago: the emergence of a House of Representatives and a Senate that ignore the will of the majority of Americans, the middle class,” Dobbs writes in his most recent book, *War on the Middle Class*. Instead, these representatives and the special interests they pander to, are increasingly “committed to a world order that views national sovereignty and borders as inconvenient impediments to trade and commerce, and our citizens as nothing more than consumers or units of labor in a global marketplace.”

Considered as no more than “consumers,” citizens are shorn of their humanity and become little more than statistics to be manipulated. That manipulation has resulted in incredible economic damage this decade with lives irrevocably altered and families pressured like never before by job loss. As Dobbs points out, “the twenty-first century began ... with more than three million manufacturing jobs lost in the first five years of this new century.”

As Jaithirth Rao explained to Thomas Friedman, American workers and the middle-class families they support are by no means out of the woods. Unless something is done to reverse the policies that are destroying the livelihoods of millions of Americans, the economic future will become increasingly uncertain. “Unfortunately, a rapidly changing post-modern economy is less uplifting, and is putting more downward pressure on millions of our fellow Americans,” Dobbs laments. “For the first time in our history, Americans aren’t dreaming of a better life for their children — they are desperately hoping that their children won’t be forced into a *lower* standard of living and lower quality of life.”

Today, almost 50 years after Detroit’s assembly lines produced the optimistic rolling sculptures that marked the heyday of the American automobile, historians look back and marvel at the achievements of America during the fifties. Tomorrow, 50 years in the future, historians might just look back on the world of today and marvel at the wrongheaded and dangerous policies that wiped out the last vestiges of America’s heart and soul — the middle class.